

**FORM D**

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL	
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02039661

**FORM D**  
**NOTICE OF SALE OF SECURITIES**  
**PURSUANT TO REGULATION D,**  
**SECTION 4(6), AND/OR**  
**UNIFORM LIMITED OFFERING EXEMPTION**

SEC USE ONLY	
Prefix	Serial
DATE RECEIVED	

Name of Offering (☐ check if this is an amendment and name has changed, and indicate change.)  
Units

1175545

Filing Under (Check box(es) that apply): ☐ Rule 504 ☐ Rule 505 ☒ Rule 506 ☐ Section 4(6) ☐ ULOE

Type of Filing: ☒ New Filing ☐ Amendment

**A. BASIC IDENTIFICATION DATA**

1. Enter the information requested about the issuer

Name of Issuer (☐ check if this is an amendment and name has changed, and indicate change.)

Westminster Fund IV L.P.

Address of Executive Offices

(Number and Street, City, State, Zip Code)

270 Westminster, Suite 300, Lake Forest, Illinois 60045

Telephone Number (Including Area Code)

(847)-234-1123

Address of Principal Business Operations  
(if different from Executive Offices)

(Number and Street, City, State, Zip Code)

Telephone Number (Including Area Code)

Brief Description of Business

Real estate investment fund

**PROCESSED**

Type of Business Organization

☐ corporation

☒ limited partnership, already formed

☐ other (please specify):

☐ business trust

☐ limited partnership, to be formed

JUN 26 2002

Actual or Estimated Date of Incorporation or Organization:

Month Year  
01 01

☒ Actual ☐ Estimated

Jurisdiction of Incorporation or Organization:

(Enter two-letter U.S. Postal Service abbreviation for State:

CN for Canada; FN for other foreign jurisdiction)

**IL****THOMSON  
FINANCIAL****GENERAL INSTRUCTIONS****Federal:**

**Who Must File:** All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6)

**When To File:** A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

**Where To File:** U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549

**Copies Required:** Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

**Information Required:** A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

**Filing Fee:** There is no filing fee.

**State:**

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

**ATTENTION**

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

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**A. BASIC IDENTIFICATION DATA**

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2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

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Check Box(es) that Apply:    ☒ Promoter    ☐ Beneficial Owner    ☐ Executive Officer    ☐ Director    ☒ General and/or Managing Partner

---

Full Name (Last name first, if individual)

Westminster Advisors IV, LLC

Business or Residence Address (Number and Street, City, State, Zip Code)

270 Westminster, Suite 300, Lake Forest, Illinois 60045

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Check Box(es) that Apply:    ☐ Promoter    ☐ Beneficial Owner    ☐ Executive Officer    ☐ Director    ☐ General and/or Managing Partner

---

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

---

Check Box(es) that Apply:    ☐ Promoter    ☐ Beneficial Owner    ☐ Executive Officer    ☐ Director    ☐ General and/or Managing Partner

---

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

---

Check Box(es) that Apply:    ☐ Promoter    ☐ Beneficial Owner    ☐ Executive Officer    ☐ Director    ☐ General and/or Managing Partner

---

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

---

Check Box(es) that Apply:    ☐ Promoter    ☐ Beneficial Owner    ☐ Executive Officer    ☐ Director    ☐ General and/or Managing Partner

---

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

---

Check Box(es) that Apply:    ☐ Promoter    ☐ Beneficial Owner    ☐ Executive Officer    ☐ Director    ☐ General and/or Managing Partner

---

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

---

Check Box(es) that Apply:    ☐ Promoter    ☐ Beneficial Owner    ☐ Executive Officer    ☐ Director    ☐ General and/or Managing Partner

---

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

---

**B. INFORMATION ABOUT OFFERING**

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1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering? .....

Yes No

☐ ☒

Answer also in Appendix, Column 2, if filing under ULOE

2. What is the minimum investment that will be accepted from any individual? ..... \$25,000<sup>1</sup>
- Yes No  
☒ ☐
3. Does the offering permit joint ownership of a single unit? ☒ ☐
4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)  
N/A

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ..... ☐ All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)  
N/A

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ..... ☐ All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

Full Name (Last name first, if individual)  
N/A

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) ..... ☐ All States

[AL]	[AK]	[AZ]	[AR]	[CA]	[CO]	[CT]	[DE]	[DC]	[FL]	[GA]	[HI]	[ID]
[IL]	[IN]	[IA]	[KS]	[KY]	[LA]	[ME]	[MD]	[MA]	[MI]	[MN]	[MS]	[MO]
[MT]	[NE]	[NV]	[NH]	[NJ]	[NM]	[NY]	[NC]	[ND]	[OH]	[OK]	[OR]	[PA]
[RI]	[SC]	[SD]	[TN]	[TX]	[UT]	[VT]	[VA]	[WA]	[WV]	[WI]	[WY]	[PR]

(Use blank sheet, or copy and use additional copies of this sheet, if necessary.)

<sup>1</sup> The issuer may accept smaller investments in its sole discretion.

#### 4C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box ☐ and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt .....	\$ .....	\$ .....
Equity .....	\$ .....	\$ .....
<input type="checkbox"/> Common <input type="checkbox"/> Preferred		
Convertible Securities (including warrants) .....	\$ .....	\$ .....
Partnership Interests .....	\$ 40,975,000	\$ .....
Other (Specify .....) .....	\$ .....	\$ .....
Total .....	\$ 40,975,000	\$ .....

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors, who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors .....	116	\$ 40,975,000
Non-accredited Investors .....	0	\$ .....
Total (for filings under Rule 504 only) .....		\$ .....

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C - Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505 .....		\$ .....
Regulation A .....		\$ .....
Rules 504 .....		\$ .....
Total .....		\$ .....

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees .....	<input type="checkbox"/> \$ .....
Printing and Engraving Costs .....	<input type="checkbox"/> \$ .....
Legal Fees .....	<input checked="" type="checkbox"/> \$ 5,000
Accounting Fees .....	<input type="checkbox"/> \$ .....
Engineering Fees .....	<input type="checkbox"/> \$ .....
Sales Commissions (specify finders' fees separately) .....	<input type="checkbox"/> \$ .....
Other Expenses (identify) <u>Filing Fees</u> .....	<input checked="" type="checkbox"/> \$ 7,850
Total .....	<input checked="" type="checkbox"/> \$ 12,850

**4C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS**

b. Enter the difference between the aggregate offering price given in response to Part C - Question 1 and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the issuer."

\$ 40,987,850

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount of any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C - Question 4.b above.

	Payments to Officers, Directors, & Affiliates	Payments to Others
Salaries and fees .....	<input type="checkbox"/> \$ .....	\$ .....
Purchase of real estate .....	<input type="checkbox"/> \$ .....	\$ .....
Purchase, rental or leasing and installation of machinery and equipment .....	<input type="checkbox"/> \$ .....	\$ .....
Construction or leasing of plant buildings and facilities .....	<input type="checkbox"/> \$ .....	\$ .....
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger) .....	<input type="checkbox"/> \$ .....	\$ .....
Repayment of indebtedness .....	<input type="checkbox"/> \$ .....	\$ .....
Working capital .....	<input type="checkbox"/> <u>\$ 40,987,850</u>	\$ .....
Other (specify): .....	<input type="checkbox"/> \$ .....	\$ .....
Column Totals .....	<input type="checkbox"/> <u>\$ 40,987,850</u>	\$ .....
Total Payments Listed (column totals added) .....	<input type="checkbox"/> <u>\$ 40,987,850</u>	

**D. FEDERAL SIGNATURE**

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print of Type) Westminster Fund IV L.P. By: Its General Partner Westminster Advisors IV LLC	Signature <i>Robert T.E. Lansing, Manager</i>	Date <i>May 7, 2002</i>
Name of Signer (Print or Type) <i>ROBERT T.E. LANSING</i>	Title of Signer (Print or Type) Manager of General partner, Westminster Advisors IV LLC	

**ATTENTION**

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

### E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.252(c), (d), (e) or (f) presently subject to any of the disqualification provisions of such rule? Yes ☐ No ☒

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239.500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print of Type) Westminster Fund IV L.P. By: Its General Partner Westminster Advisors IV LLC	Signature <i>RTE Lansing, Manager</i>	Date <i>May 7, 2002</i>
Name (Print or Type) <i>ROBERT T.E. LANSING</i>	Title (Print or Type) Manager of General Partner, Westminster Advisors IV LLC	

**Instruction:**

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

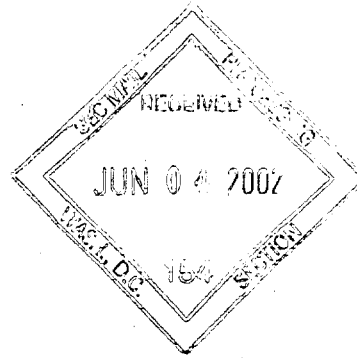
**APPENDIX**

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)		Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL									
AK									
AZ		X	Partnership Interest						X
AR									
CA		X	Partnership Interests						X
CO									
CT		X	Partnership Interests						X
DE									
DC									
FL		X	Partnership Interests						X
GA		X	Partnership Interest						X
HI									
ID									
IL		X	Partnership Interests						X
IN									
IA									
KS									
KY									
LA									
ME									
MD									
MA		X	Partnership Interests						X
MI									
MN									
MS									
MO									
MT		X	Partnership Interests						X
NE									
NV									

**APPENDIX**

1	2 Intend to sell to non-accredited investors in State (Part B-Item 1)		3 Type of security and aggregate offering price offered in state (Part C-Item 1)	4 Type of investor and amount purchased in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
NH		X	Partnership Interests						X
NJ									
NM									
NY		X	Partnership Interests						X
NC		X	Partnership Interests						X
ND									
OH		X	Partnership Interests						X
OK									
OR									
PA		X	Partnership Interests						X
RI		X	Partnership Interests						X
SC									
SD									
TN									
TX		X	Partnership Interests						X
UT									
VT									
VA		X	Partnership Interests						X
WA									
WV									
WI		X	Partnership Interests						X
WY									
PR									





**WESTMINSTER FUND IV L.P.**

**AGREEMENT OF LIMITED PARTNERSHIP**

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WESTMINSTER FUND IV L.P.

AGREEMENT OF LIMITED PARTNERSHIP

This Agreement of Limited Partnership is made as of this January 2, 2001, by and among Westminster Advisors IV L.L.C., an Illinois limited liability company (the "General Partner") and those other parties executing this Agreement as limited partners (the "Limited Partners"). The General Partner and the Limited Partners are collectively referred to as the "Partners", as appropriate.

WHEREAS, the Partners wish to form a limited partnership for the purpose of making real estate investments pursuant to the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Partners hereby agree as follows:

ARTICLE ONE

Defined Terms

The capitalized terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified in this Article One. The singular shall include the plural and the masculine gender shall include the feminine and vice versa, as the context requires.

"Act" means the Illinois Revised Uniform Limited Partnership Act.

"Adjusted Capital Account Deficit" means, with respect to any Limited Partner, the deficit balance, if any, in such Limited Partner's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

- (i) Credit to such Capital Account any amounts that such Limited Partner is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and
- (ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations.

The above definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and will be interpreted consistently therewith.

"Affiliate" or "Affiliates" means, when used with reference to a specified Person, (i) any Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified Person, (ii) any Person that is a director, officer or trustee of, or partner in, or serves in a similar capacity with respect to, the specified Person or of which the specified Person is a director, officer, partner or trustee, or with respect to which the specified Person serves in a similar capacity, (iii) any Person that, directly or indirectly, is the beneficial owner of 10% or more of any class of equity securities of the specified Person or of which the specified Person is directly or indirectly the owner of 10% or more of any class of equity securities, and (iv) any relative or spouse of the specified Person.

"Agreement" means this Agreement of Limited Partnership, as originally executed and as amended from time to time. Words such as "herein," "hereinafter," "hereof," "hereto," "hereby" and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.

"Capital Account" means, as to any Partner, such Partner's aggregate Capital Contributions (1) reduced, to the extent required under Section 704(b) of the Code, by (a) any Losses (which includes any items thereof) allocated to such Partner under Article Four, (b) any distributions of Operating Cash Flow and Capital Event Proceeds under Article Four, and (c) any expenditures of the Partnership described, or treated under Section 704(b) of the Code as described, in Section 705(a)(2)(B) of the Code allocable to such Partner, and (2) increased, to the extent required under Section 704(b) of the Code, by any Profits (which includes any items thereof) allocated to such Partner under Article Four. The Capital Account of any Partner shall reflect all prior adjustments to the Capital Account of any predecessor holder of the Interest of such Partner.

"Capital Contribution" means the total amount of money and other property (to the extent the General Partner permits such other property to be contributed to the Partnership) contributed to the Partnership by all the Partners or any one Partner, as the case may be (or by the predecessor holder of the Interest of any such Partner).

"Capital Event" means any sale, exchange, condemnation, refinancing or other disposition, in whole or in part, of any Partnership Property.

"Capital Event Proceeds" means proceeds from the sale, refinancing, insurance claims, or condemnation of any Partnership Property, net of any transaction costs and repayment of debt, either as required by lender(s) or at the discretion of the General Partner, less any reserves as the General Partner in its discretion deems appropriate.

"Code" means the Internal Revenue Code of 1986, as amended (or any corresponding provision or provisions of succeeding law).

"Committed Capital Contribution" means as to any Partner, such Partner's total commitment to make Capital Contributions pursuant to Section 3.1 in the amount set forth on the first page of the Subscription Agreement executed by such Partner.

"Compound Return" for any Partner as of any date when Compound Return is required to be calculated, means the amount that accrues at the specified rate on the average daily balance of such Partner's Investment Capital Account, compounded annually; for example, a Partner's 6% Compound Return is the amount determined by accruing a 6% yield, compounded annually, on the average daily balance of such Partner's Investment Capital Account.

"Excess Loss" means any Losses that would cause or increase a deficit balance in a Partner's Capital Account to an amount in excess of the sum of (i) the amount such Partner is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations.

"Final Closing" has the meaning set forth in Section 3.1(b) of this Agreement

"First Closing" is hereby defined as the closing of Limited Partner Capital Contributions in an aggregate amount of at least \$10,000,000.

"Fiscal Year" of the Partnership means the calendar year, unless otherwise required by Section 706 of the Code.

"General Partner" means Westminster Advisors IV L.L.C., an Illinois limited liability company, and any other Person who becomes a successor or additional General Partner of the Partnership as provided herein, in such Person's capacity as a General Partner of the Partnership.

"Gross Asset Value" means, with respect to any asset of the Partnership, the asset's adjusted basis for federal income tax purposes, adjusted from time to time to reflect adjustments required or permitted under Code Section 704 or the Regulations thereunder.

"Incapacity" or "Incapacitated" means the entry of an order for relief in bankruptcy, or of incompetence or of insanity, or the death or termination and liquidation (other than by merger or consolidation), as the case may be, of any Person.

"Interest" means the entire percentage ownership interest of a Partner in the Partnership at any particular time, as set forth as of the date hereof on Schedule A hereof, and as such percentage may from time to time be modified as provided herein, including the right of such

Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and of the Act.

"Investment Capital Account" means cumulative Partner investment fundings net of any distributions from a return of capital (as a result of any Capital Event), but shall exclude non-cash deductions or additions used for tax purposes.

"Limited Partners" means the Persons listed as Limited Partners on Schedule A and any other Person who becomes a Substituted Limited Partner and is designated as a Limited Partner on Schedule A hereto at the time of reference thereto, in such Person's capacity as a Limited Partner of the Partnership.

"Liquidation" means (i) when used with reference to the Partnership, the earlier of (a) the date upon which the Partnership is terminated under Section 708(b)(1) of the Code or (b) the date upon which the Partnership ceases to be a going concern, and (ii) when used with reference to any Partner, the earlier of (a) the date upon which there is a Liquidation of the Partnership or (b) the date upon which such Partner's entire Interest in the Partnership is terminated other than by transfer, assignment or other disposition to a Person other than the Partnership.

"Minimum Gain" means an amount determined by computing, with respect to each Nonrecourse Liability of the Partnership, the amount of gain (of whatever character), if any, that would be realized by the Partnership if it disposed of (in a taxable transaction) the property subject to such liability in full satisfaction thereof, and by then aggregating the amounts so computed, such computation to be made in accordance with Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

"Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

"Nonrecourse Liability" has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

"Notification" means a writing containing the information required by this Agreement to be communicated to any Person, sent by registered or certified mail, postage prepaid, to such Person, at the last known address of such Person, three (3) days after the date of registry thereof or the date of the certified receipt therefor being deemed the date of receipt of Notification; provided, however, that any communication containing such information sent to such Person and actually received by such Person shall constitute Notification for all purposes of this Agreement.

"Operating Cash Flow" means all revenues, receipts and other funds received in cash by the Partnership from operations (excluding the proceeds from the sale, exchange or other disposition or refinancing of any or all of the property or interests in property of the Partnership

or of any partnership, joint venture or other entity in which the Partnership has an interest and funds received as capital contributions), plus, interest income on capital reserves and any other deposits held in interest-bearing accounts less the sum of the following to the extent made from such revenues, receipts and other funds received by the Partnership: (i) partnership overhead and direct expenses; and (ii) such cash reserves as the General Partner determines (in its discretion) to be appropriate for operation of the Partnership's business and affairs, deposited into an interest-bearing account.

"Partner" means the General Partner and each Limited Partner.

"Partner Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Minimum Gain of the Partnership that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

"Partner Nonrecourse Debt" has the meaning set forth in Section 1.704-2(b)(4) of the Regulations.

"Partner Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(i)(1) and (2) and shall be determined in accordance with the provisions of Regulations Section 1.704-2(i)(2).

"Partnership" means Westminster Fund IV L.P., as said limited partnership may from time to time be constituted.

"Partnership Property" means the interest of the Partnership in any (i) entity or security (whether in equity, debt, convertible, or hybrid securities, partnership, limited liability company, or joint venture interests, options, warrants, other contractual rights, or otherwise), (ii) any direct or indirect interests (including, without limitation, fee or leasehold title, mortgages, participating and convertible mortgages, options, leases, partnership and joint venture interests, equity and debt of entities to the extent that such entities own real property and other contractual rights in real property) in real property (including, but not limited to, all buildings, structures and improvements located thereon, fixtures contained therein, appurtenances attached thereto, and personal property owned in connection therewith) and (iii) any other property, whether tangible or intangible, owned, directly or indirectly, by the Partnership. "Partnership Properties" means the aggregate total of each Partnership Property and all other tangible and intangible assets of the Partnership.

"Person" means any individual, partnership, corporation, trust or other entity.

"Preferred Return" for any Partner as of any date when Preferred Return is required to be calculated, means a simple rate of return calculated at the specified rate on the average daily balance of such Partner's Investment Capital Account.



"Prime Rate" means, at any time and from time to time the rate of interest then most recently published by The Wall Street Journal as the prime rate.

"Profits" and "Losses" means, for any period, an amount equal to the Partnership's taxable income or loss for such period determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(ii) any expenditure of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses pursuant to this definition, shall be subtracted from such taxable income or loss;

(iii) in the event the Gross Asset Value of any Partnership asset is adjusted pursuant to the requirements of Section 9.1B or the definition of "Gross Asset Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) any adjustment to depreciation, amortization, and other cost recovery deductions required pursuant to Section 9.1B shall be taken into account;

(vi) to the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) notwithstanding any other provision of this definition, any items which are specifically allocated under this Agreement shall not be taken into account in computing Profits or Losses.

"Regulations" means the Treasury Regulations, including Temporary Regulations, promulgated under the Code, as amended.

"Regulatory Allocations" shall have the meaning assigned to it in Section 4.2G.

"Subscription Agreement" means that certain Subscription Agreement executed by and between each Limited Partner and the Partnership, pursuant to which each Partner agreed to subscribe for and purchase limited partnership interests in the Partnership.

"Substituted Limited Partner" means any Person admitted as a Limited Partner pursuant to the provisions of this Agreement.

"Super Majority Vote" means the consent of Partners (including the General Partner) holding 60% of the Interests.

## ARTICLE TWO

### Formation, Name, Place of Business, Purpose, Term

#### Section 2.1. Formation

The parties hereto form a limited partnership pursuant to the provisions of the Act. The rights and liabilities of the parties shall be as provided in the Act, except as otherwise expressly provided herein.

#### Section 2.2. Name and Principal Place of Business

A. The name of the Partnership is Westminster Fund IV L.P. or such other name as the General Partner may from time to time designate by Notification to the Limited Partners.

B. The principal place of business and registered office of the Partnership shall be 270 Westminster, Suite 300, Lake Forest, Illinois 60045. The registered agent for service of process on the Partnership in the State of Illinois is Robert T.E. Lansing. Any Notification to the Partnership shall be at its then principal place of business. Notification of any change in the Partnership's principal place of business, registered office or registered agent shall be given to the Limited Partners.

#### Section 2.3. Purpose

The purposes and character of the business of the Partnership are to use the proceeds of the initial and any additional Capital Contributions of the Partners to invest in, acquire, hold,

maintain, operate, improve, develop, lease and otherwise use Partnership Properties, including, without limitation, the Partnership's interests in real and personal property of any kind (including without limitation, preferred and common corporate stock and warrants therefor; bonds, notes and other evidences of indebtedness; general and limited partnership interests; interests in limited liability companies; improved and unimproved real estate; beneficial interests or other participations in trusts, associations or other entities; options, puts, calls, leases and other contracts; tangible personal property; and undivided or indirect interests in any of the foregoing) for profit (and in connection therewith the Partnership shall have the right to dispose of, in any manner, any such real or personal property or interests therein); to act as the general partner of any general or limited partnership which invests (directly or indirectly) in real property or any other type of asset specified under "Partnership Property"; and to engage in any and all activities related or incidental thereto.

#### Section 2.4. Term

The Partnership shall continue in full force and effect until ten years from the date hereof unless extended by a Super Majority Vote or until dissolution prior thereto pursuant to the provisions hereof.

#### Section 2.5. Compliance With Law

The parties hereto shall from time to time execute or cause to be executed all such certificates and other documents and do or cause to be done all such filings, recordings, publications and other acts necessary (or in the judgment of the General Partner appropriate) to comply with the applicable laws of any jurisdiction in which the Partnership shall conduct its business and to give full force and effect to the provisions of this Agreement.

### ARTICLE THREE

#### Partners and Capital

##### Section 3.1. Capital Contribution

(a) The name, address, Committed Capital Contribution, Capital Contribution and Interest in the Partnership of the Partners are as set forth in Schedule A attached hereto and incorporated herein. The Partners shall make Capital Contributions in the amount of their respective Committed Capital Contributions in immediately available funds in such amounts and at such times as the General Partner may request from time to time upon ten business days prior written notice; provided, however, that the first Capital Contribution for each Limited Partner, which shall be equal to five percent (5%) of such Partner's Committed Capital Contribution ("First Capital Call"), shall be due and payable upon execution and delivery of such Partner's Subscription Agreement. The obligation of a Partner to make any uncontributed Committed Capital

Contribution shall terminate four years after the date of the Final Closing (the "Commitment Period") except, to fund operating deficits and expenses of the Partnership and to satisfy any contractual obligation made by the Partnership prior to the end of such four year period including deferred installments of property investments and repayment of loans.

(b) Unless otherwise extended by the General Partner, in its sole and absolute discretion, the First Closing shall occur on April 30, 2001. The Partnership may admit additional Limited Partners after the First Closing, provided that at the discretion of the General Partner the price of partnership interests may include interest at 10% per annum calculated for the number of days from April 30, 2001 times the amount of the First Capital Call to the date of subscription. At the discretion of the General Partner, a portion of the Capital Contribution of later-admitted Partners may be distributed to Limited Partners to better balance the Investment Capital Accounts of the Partners. The Final Closing shall be June 30, 2001; provided, however, that such date may be extended at the sole and absolute discretion of the General Partner.

(c) Within each twelve month period following the date of the First Closing of the Fund, the General Partner shall not call more than \$40,000,000 of all Partner's Committed Capital Contributions.

### Section 3.2. Default of a Partner in Making a Capital Contribution

In the event that a Partner (the "Defaulting Partner") fails to make a Capital Contribution when and as called by the General Partner pursuant to Section 3.1, the Defaulting Partner shall automatically cease to have a vote on any matter requiring the vote of the Partners, and in addition the General Partner may elect one or more of the following remedies:

(i) The General Partner can offer the Defaulting Partner's Interest for sale to any Person (including a Partner or Affiliate of a Partner) for cash in the amount of 75% of the Defaulting Partner's Investment Capital Account. The Defaulting Partner shall sell all or any portion offered to be purchased on such terms (and other terms set by the General Partner) within 90 days of such default. Any costs of the General Partner or the Partnership in arranging the sale shall be borne by the Defaulting Partner.

(ii) The General Partner may charge the Defaulting Partner with all Default Costs by either (a) reducing the Defaulting Partner's Investment Capital Account or (b) off-setting such Default Costs against distributions of Operating Cash Flow and Capital Event Proceeds. "Default Costs" shall include, without limitation, any fees, damages, costs, expenses, penalties, charges, and liabilities incurred by the General Partner and/or the Partnership as a result of the default.

(iii) The General Partner may reduce the Interest of the Defaulting Partner to a fraction, the nominator of which is equal to the difference between (A) the Defaulting Partner's Investment

Capital Account and (B) two times the amount of the Capital Contribution not made, and the denominator is the aggregate of all Partner's Investment Capital Accounts.

Section 3.3. Partnership Capital

A. No Partner shall be paid interest nor shall interest accrue on any Capital Contribution.

B. Except as otherwise provided herein, no Partner shall have the right to withdraw, or receive any return of, all or any portion of its Capital Contribution.

C. Under circumstances requiring a return of any Capital Contribution, no Partner shall have the right to receive property other than cash except as may be specifically provided in this Agreement.

Section 3.4. Liability of Partners

A. The Limited Partners shall not be liable for the debts, liabilities, contracts or any other obligations of the Partnership; provided that if a Limited Partner has received a distribution in violation of the Act, such Limited Partner shall be liable to the Partnership for the amount of the distribution in accordance with of the Act. The Limited Partners shall not be required to lend any funds to the Partnership or, after its Capital Contribution shall have been fully paid, to make any further Capital Contribution to the Partnership.

B. Except as specifically provided in this Agreement, the General Partner shall not have any personal liability for the repayment of the Capital Contribution of any Limited Partner. It is the intent of the Partners that no allocation or distribution (or any part of any allocation or distribution) made to any Limited Partner pursuant to Article Four of this Agreement shall be deemed a return or withdrawal of capital, even if such allocation or distribution represents (in full or in part) an allocation or distribution of depreciation or any other non-cash item accounted for as a loss or deduction from or offset to the Partnership's income, and that no Limited Partner shall be obligated to pay any such amount to or for the account of the Partnership or any creditor of the Partnership. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Limited Partner is obligated to make any such payment, such obligation shall be the obligation of such Limited Partner and not of the General Partner.

## ARTICLE FOUR

### Allocation of Profits and Losses; Cash Distributions

#### Section 4.1. Profits and Losses

A. Subject to Section 4.2 hereof, all Profits of the Partnership, if any, other than Profits attributable to a Capital Event, shall be allocated for each Fiscal Year as follows:

(i) first, to the Partners, up to the aggregate of, and in proportion to, any Excess Loss previously allocated to each Partner in accordance with Section 4.1D hereof, to the extent not previously offset by allocations of Profits pursuant to this Section 4.1A(i) and Section 4.1B(i) hereof, in the reverse order and ratio in which such Excess Losses were allocated;

(ii) second, to the Partners, up to the aggregate of, and in proportion to, all Losses previously allocated to the Partners pursuant to Section 4.1C(x) hereof, to the extent not previously offset by allocations of Profits pursuant to this Section 4.1A(ii) and Section 4.1B(ii) hereof;

(iii) third, to the Partners until each Partner has received aggregate allocations of Profits for all Fiscal Years pursuant to this subsection A(iii) in excess of Losses previously allocated to such Partner for all Fiscal Years pursuant to Section 4.1C(ix) hereof, equal to the aggregate distributions to such Partner through the end of such Fiscal Year pursuant to Section 4.3A(i) hereof;

(iv) fourth, 90% to the Partners and 10% to the General Partner until each Partner has received aggregate allocations of Profits for all Fiscal Years pursuant to subsection A(iii) hereof and this subsection A(iv) in excess of Losses previously allocated to such Partner for all Fiscal Years pursuant to Sections 4.1C(viii) and C(ix) hereof, equal to the aggregate distributions to such Partner through the end of such Fiscal Year pursuant to Sections 4.3A(i) and 4.3A(ii) hereof;

(v) fifth, 80% to the Partners and 20% to the General Partner until each Partner has received aggregate allocations of Profits for all Fiscal Years pursuant to subsections A(iii) and A(iv) hereof and this subsection A(v) in excess of Losses previously allocated to such Partner for all Fiscal Years pursuant to Sections 4.1C(vii), C(viii) and C(ix) hereof, equal to the aggregate distributions to such Partner through the end of such Fiscal Year pursuant to Sections 4.3A(i), A(ii) and A(iii) hereof; and

(vi) sixth, thereafter, 75% to the Partners and 25% to the General Partner.

Notwithstanding the foregoing, no allocations of Profits shall be made pursuant to a subsection of this Section 4.1A to the extent that aggregate net Profits have been allocated pursuant to the corresponding subsection of Section 4.1B equal to the Compound Return specified in such subsection. For purposes of the preceding sentence, Sections 4.1B (iii), (iv), (v), and (vi) correspond to subsections (iii), (iv), (v), and (vi), respectively, of this Section 4.1A.

B. Subject to Section 4.1E and Section 4.2 hereof, Profits attributable to a Capital Event shall be allocated for each Fiscal Year as follows:

(i) first, to the Partners, up to the aggregate of, and in proportion to, any Excess Loss previously allocated to each Partner in accordance with Section 4.1D hereof, to the extent not previously offset by allocations of Profits pursuant to this Section 4.1B(i) and Section 4.1A(i) hereof, in the reverse order and ratio in which such Excess Losses were allocated;

(ii) second, to the Partners, up to the aggregate of, and in proportion to, all Losses previously allocated to the Partners pursuant to Section 4.1C(x) hereof, to the extent not previously offset by allocations of Profits pursuant to this Section 4.1B(ii) and Section 4.1A(ii) hereof;

(iii) third, to the Partners until each Partner has had aggregate Profits allocated to it pursuant to Section 4.1A hereof and this subsection B(iii), in excess of Losses previously allocated to such Partner for all Fiscal Years pursuant to (x) Section 4.1C(v) hereof with respect to Profits previously allocated pursuant to this subsection B(iii) and (y) Section 4.1C(vi) through C(ix) hereof, equal to such Partner's 6% Compound Return;

(iv) fourth, 90% to the Partners and 10% to the General Partner until each Partner has had aggregate Profits allocated to it pursuant to Section 4.1A hereof and subsection B(iii) hereof and this subsection B(iv) in excess of Losses previously allocated to such Partner for all Fiscal Years pursuant to (x) Section 4.1C(vi) and C(v) hereof with respect to Profits previously allocated pursuant to subsection B(iii) hereof and this subsection B(iv) and (y) Section 4.1C(iv) through C(ix) hereof, equal to such Partner's 8% Compound Return;

(v) fifth, 80% to the Partners and 20% to the General Partner until each Partner has had aggregate Profits allocated to it pursuant to Section 4.1A hereof, subsections B(iii) and B(iv) hereof and this subsection B(v) in excess of Losses previously allocated to such Partner for all Fiscal Years pursuant to (x) Section 4.1C(iii), C(iv) and C(v) hereof with respect to Profits previously allocated pursuant to subsections (B)(iii) and (B)(iv) hereof and this subsection B(v) and (y) Section 4.1C(vi) through C(ix) hereof, equal to such Partner's 12% Compound Return;

(vi) sixth, 75% to the Partners and 25% to the General Partner until each Partner has had aggregate Profits allocated to it pursuant to Section 4.1A hereof, subsections B(iii), B(iv) and B(v) hereof and this subsection B(vi) in excess of Losses previously allocated to such Partner for

all Fiscal Years pursuant to (x) Section 4.1C(ii), C(iii), C(iv) and C(v) hereof with respect to Profits previously allocated pursuant to subsections (B)(iii), (B)(iv) and (B)(v) hereof and this subsection B(vi) and (y) Section 4.1C(vi) through C(ix) hereof, equal to such Partner's 20% Compound Return; and

(vii) seventh, thereafter, 70% to the Partners and 30% to the General Partner.

C. Subject to Section 4.1D hereof and to Section 4.2, all Losses of the Partnership, if any, shall be allocated for each Fiscal Year as follows:

(i) first, to the Partners up to the aggregate of, in proportion to, and in reverse order and ratio of any Profits previously allocated to such Partners in accordance with Section 4.1B(vii) hereof and not previously offset by Losses allocated pursuant to this Section 4.1C(i);

(ii) second, to the Partners up to the aggregate of, in proportion to, and in reverse order and ratio of any Profits previously allocated to such Partners in accordance with Section 4.1B(vi) hereof and not previously offset by Losses allocated pursuant to this Section 4.1C(ii);

(iii) third, to the Partners up to the aggregate of, in proportion to, and in reverse order and ratio of any Profits previously allocated to such Partners in accordance with Section 4.1B(v) hereof and not previously offset by Losses allocated pursuant to this Section 4.1C(iii);

(iv) fourth, to the Partners up to the aggregate of, in proportion to, and in reverse order and ratio of any Profits previously allocated to such Partners in accordance with Section 4.1B(iv) hereof and not previously offset by Losses allocated pursuant to this Section 4.1C(iv);

(v) fifth, to the Partners up to the aggregate of, in proportion to, and in reverse order and ratio of any Profits previously allocated to such Partners in accordance with Section 4.1B(iii) hereof and not previously offset by Losses allocated pursuant to this Section 4.1C(v);

(vi) sixth, to the Partners up to the aggregate of, in proportion to, and in reverse order and ratio of any Profits previously allocated to such Partners in accordance with Section 4.1A(vi) and not previously offset by Losses allocated pursuant to this Section 4.1C(vi); and

(vii) seventh, to the Partners up to the aggregate of, in proportion to, and in reverse order and ratio of any Profits previously allocated to such Partners in accordance with Section 4.1A(v) and not previously offset by Losses allocated pursuant to this Section 4.1C(vii); and

(viii) eighth, to the Partners up to the aggregate of, in proportion to, and in reverse order and ratio of any Profits previously allocated to such Partners in accordance with Section 4.1A(iv) and not previously offset by Losses allocated pursuant to this Section 4.1C(viii);



(ix) ninth, to the Partners up to the aggregate of, in proportion to, and in reverse order and ratio of any Profits allocated to such Partners in accordance with Section 4.1A(iii) and not previously offset by Losses allocated pursuant to this Section 4.1C(ix); and

(x) thereafter, to the Partners in accordance with their respective Interests.

D. The Losses allocated pursuant to Section 4.1C shall not exceed the maximum amount of Losses that can be so allocated without causing any Limited Partner to be allocated an Excess Loss. If some but not all Limited Partners would be allocated an Excess Loss as a result of an allocation of Losses under Section 4.1C, the limitation contained in this Section 4.1D shall be applied on a Limited Partner-by-Limited Partner basis so as to allocate the maximum permissible Losses to each Limited Partner under section 1.704-1(b)(2)(ii)(d) of the Regulations. All Losses in excess of the limitation contained in this Section 4.1D shall be allocated to the General Partner.

E. Notwithstanding Section 4.1B, but subject to Section 4.2, Profits attributable to a Capital Event shall be allocated so that, to the extent possible, immediately after such allocation, each Partner has a positive balance in its Capital Account equal to the amount such Partner would be entitled to receive upon the complete dissolution of the Partnership and the distribution of all of its assets to the Partners if liquidating distributions were made pursuant to Section 4.3B, valuing each Partnership Property other than cash at its Gross Asset Value for this purpose.

F. Unless otherwise specifically provided herein, all Profits and Losses allocable to the Partners as a group shall be allocated among them in proportion to their respective Interests.

G. Credits of the Partnership for tax purposes shall be allocated in proportion to the Partners' respective Interests.

Section 4.2 Miscellaneous and Regulatory Tax Allocations. Notwithstanding anything to the contrary in this Agreement, the following special allocations, if applicable, shall be made in the following order:

A. Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Article Four, if there is a net decrease in the Minimum Gain of the Partnership during any Fiscal Year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to the portion of such Partner's share of the net decrease in the Minimum Gain of the Partnership, determined in accordance with Section 1.704-2(g) of the Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Paragraph Section 4.2A is intended to comply with the minimum gain

chargeback requirements set forth in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

B. Partner Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Article Four, if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Fiscal Year, each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to the portion of such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(4) of the Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The item to be so allocated shall be determined in accordance with Section 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section 4.2B is intended to comply with Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

C. Qualified Income Offset. In the event any Limited Partner unexpectedly receives any adjustments, allocations, or distributions described in subparagraphs (4), (5), or (6) of Regulations Section 1.704-1(b)(2)(ii)(d), such Limited Partner shall be allocated items of Partnership income or gain in an amount and manner sufficient to eliminate such Limited Partner's Adjusted Capital Account Deficit as quickly as possible to the extent required by the Regulations, provided that an allocation pursuant to this Section 4.2C shall be made only if and to the extent that such Limited Partner would have an Adjusted Capital Account Deficit after tentatively making all other allocations provided in this Article Four as if this Section 4.2C were not in the Agreement.

D. Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated among the Partners in accordance with their Interests.

E. Partner Nonrecourse Deductions. Any Partner Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

F. Adjustments Occasioned by Section 754 Election. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Partner in complete liquidation of its interest in the Partnership, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases

the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in accordance with their interests in the Partnership in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Partner to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

G. Curative Allocations. The allocations contained in Sections 4.2A through 4.2F (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Partnership income, gain, loss or deduction pursuant to this Section 4.2G. Therefore, notwithstanding any other provisions of this Article Four (other than the Regulatory Allocations and Section 4.2I(iv)), the General Partner shall make such offsetting special allocations of Partnership income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Partner's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Partner would have had if the Regulatory Allocations were not part of the Agreement.

H. Other Allocation Rules.

(i) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the General Partner, with the consent of a majority in Interest of the Limited Partners, using any permissible method under Code Section 706 and the Regulations.

(ii) The Partners are aware of the income tax consequences of the allocations made by this Paragraph and hereby agree to be bound by the provisions of this paragraph in reporting their shares of Partnership income and loss for income tax purposes.

(iii) To the extent permitted by Section 1.704-2(h)(3) of the Regulations, the General Partner shall endeavor to treat distributions of Capital Event Proceeds as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause, or increase, an Adjusted Capital Account Deficit for any Limited Partner.

(iv) Notwithstanding anything to the contrary in this Agreement, all allocations under this Agreement shall be made only to the extent that, and shall be adjusted insofar as may be required so that, the Partnership's allocations satisfy the requirements of Code Section 514(c)(9)(E) (including Code Section 514(c)(9)(E)(i)(II)), applicable Regulations, and any other administrative guidelines or pronouncements thereunder.

I. Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property

contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such asset for federal income tax purposes and its initial Gross Asset Value.

In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to the requirements of Section 9.1B, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take into account any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Section 704(c) and the Regulations.

Any elections or other decisions relating to such allocations shall be made by the General Partner with the consent of a majority in Interest of the Limited Partners in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 4.2J are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

#### Section 4.3. Distributions.

A. Distributions of Operating Cash Flow will be made within thirty (30) days following the end of each calendar quarter as follows: (i) first, to the Partners an amount sufficient to earn a 2% annualized simple return on the average Investment Capital Account during the calendar quarter, (ii) second, on a dollar-for-dollar basis, 90% to the Partners and 10% to the General Partner, until the Partners have received a 4% simple annualized return on the average Investment Capital Account during the calendar quarter, (iii) third, on a dollar-for-dollar basis, 80% to the Partners and 20% to the General Partner, until the Partners have received an 8% simple annualized return on the average Investment Capital Account during the calendar quarter, (iv) fourth, on a dollar-for-dollar basis, 75% to the Partners and 25% to the General Partner. For the fourth quarter of each calendar year the 2% - 4% - 8% return will be recalculated for the entire calendar year.

B. Capital Event Proceeds will be distributed within thirty (30) days following the capital event as follows: (i) first, to the Partners an amount sufficient to reduce each Partner's Investment Capital Account to zero, (ii) second, 100% to the Partners until such time that the Partners have earned a 6% annual internal rate of return (compounded annually) on each Partner's Investment Capital Account (including distributions from Operating Cash Flow) through the end of the calendar quarter in which the distributions are made, (iii) third, on a dollar-for-dollar basis, 90% to the Partners and 10% to the General Partner, until such time that the Partners have earned an 8% annual internal rate of return (compounded annually) on each Partner's Investment Capital Account (including distributions from Operating Cash Flow) through the end of the calendar quarter in which the distributions are made, (iv) fourth, on a dollar-for-dollar basis, 80% to the

Partners and 20% to the General Partner, until such time that the Partners have earned a 12% annual internal rate of return (compounded annually) on each Partner's Investment Capital Account (including distributions from Operating Cash Flow) through the end of the calendar quarter in which the distributions are made, (v) fifth, on a dollar-for-dollar basis, 75% to the Partners and 25% to the General Partner, until such time that the Partners have earned a 20% annual internal rate of return (compounded annually) on each Partner's Investment Capital Account (including distributions from Operating Cash Flow) through the end of the calendar quarter in which the distributions are made, (vi) sixth, on a dollar-for-dollar basis, 70% to the Partners and 30% to the General Partner.

C. Anything contained herein to the contrary notwithstanding, the Partnership shall endeavor to distribute to each Partner amounts sufficient to enable such Partner and (if applicable) the direct and indirect partners of such Partner to discharge the federal tax liability (excluding penalties), including the obligation to make estimated payments with respect thereto, arising as a result of such Partner's interest in the Partnership, determined by assuming the applicability of the highest marginal federal income tax rate applicable to individuals or to corporations, whichever is higher. The amount of such tax liability shall be calculated taking into account the amount of net cumulative tax loss previously allocated to such Person in prior fiscal years and not used in prior fiscal years to reduce taxable income for the purpose of making distributions under this Section 4.3D. The calculation shall be made on the assumption that taxable income or tax loss from the Partnership is each such Person's only taxable income or tax loss. Such distributions shall be debited to such Partner's Capital Account (as provided in the definition thereof). Any amounts distributed pursuant to this Section 4.3D shall be considered an advance against the next distribution payable to such Partner, and shall offset such distributions to the extent not inconsistent with this Section 4.3D.

## ARTICLE FIVE

### Rights, Powers and Duties of General Partner

#### Section 5.1. Management and Control of the Partnership

A. Except for the matters specified herein requiring a Super Majority Vote or the approval of the Advisory Committee or Investment Committee, the General Partner shall have the exclusive right to manage the business of the Partnership and is hereby authorized to take any action of any kind, and to do anything and everything, in accordance with the provisions of this Agreement and the Act.

B. No Limited Partner (except one who may also be a General Partner, and then only in his capacity as a General Partner) shall have any control over the Partnership business.

C. Any Person dealing with the Partnership or the General Partner may rely upon a certificate signed by the General Partner, as to:

- (i) the identity of any General Partner or Limited Partners;
- (ii) the existence or nonexistence of any fact or facts which constitute conditions precedent to acts by any Partner or which are in any other manner germane to the affairs of the Partnership;
- (iii) the Persons who are authorized to execute and deliver any instrument or document of the Partnership; and
- (iv) any act or failure to act by the Partnership or as to any other matter whatsoever involving the Partnership.

D. Without limiting Section 5.1A hereof, the General Partner is hereby authorized to incur costs and expenses on behalf of the Partnership incurred in the pursuit of potential Partnership investments and transactions and involving the investigation, evaluation, negotiation, selection and other due diligence with respect to such investments or transactions. The Partners acknowledge that the incurrence of such costs and expenses (whether or not in excess of the annual limitation specified above) is necessary and appropriate in order for the Partnership to invest in transactions and investments which permit the Partnership to receive a promotional or sponsor's interest for initially putting its capital at risk in the transaction.

E. All investments in Partnership Property shall be made upon approval of the investment committee appointed from time to time by the General Partner (the "Investment Committee"). The initial Investment Committee shall be comprised of Robert T.E. Lansing and George W. Carroll. The Investment Committee may approve any particular investment in its discretion, provided that it meets the following requirements (which requirements may be waived or modified by a Super Majority Vote):

- (i) No more than 65% of total Committed Capital Contributions will be made in one state.
- (ii) No more than 40% of total Committed Capital Contributions of the Partnership will be budgeted for a single investment.
- (iii) Leverage (in the form of third party debt) will be limited to 65% of the total value of the Partnership's investments on a portfolio basis.
- (iv) Leverage of any specific investment will be limited to 65% of value.

F. The Partnership will have an Advisory Committee, which will meet only to pass upon any proposed transaction between the Partnership and affiliates of the General Partner. The Advisory Committee will consist of two or more Limited Partners designated by the General Partner. The unanimous approval of the members of the Advisory Committee will be required for any such proposed transaction.

Section 5.2. Payment of Partnership Expenses

A. The Partnership shall bear the following expenses:

(i) Legal costs associated with forming and administering the Partnership, first payable on the First Closing

(ii) Travel costs associated with raising Partnership investment capital, first payable on the First Closing

(iii) Expense of auditing the Partnership's financial statements

(iv) Typical costs associated with investment activities, including travel, due diligence, telecommunications, and postage

(v) Costs of reporting to investors, including document preparation, telecommunications, and postage. All expenses directly related to the management and operation of a specific property will be paid directly by that property.

B. The Partnership is specifically authorized to make reimbursements to the Partners or their Affiliates for providing goods, materials or services used for or by the Partnership. The General Partner or its affiliates will be entitled to receive reimbursement, on a monthly basis, for actual out-of-pocket expenses reasonably incurred in operating, administering and managing the Partnership and each of its investments including legal and accounting fees, travel costs, investment due diligence costs and costs of reporting to investors. In no event shall any amount charged to the Partnership as a reimbursable expense by any Partner or its Affiliate exceed the amount which the Partnership would be required to pay to independent parties for comparable goods or services. The reimbursement for expenses provided in this Section 5.2B shall be made to any Partner or Affiliate entitled to such reimbursement regardless of whether any distributions are made to the Partners under the provisions of Section 4.1 hereof.

### Section 5.3. Duties and Obligations of General Partner

A. Except as otherwise provided in this Agreement, the General Partner shall take all action (to the extent not inconsistent with this Agreement) which may be necessary or appropriate for the continuation of the Partnership's valid existence as a limited partnership under the laws of the State of Illinois and to enable the Partnership to conduct its business.

B. The General Partner from time to time shall prepare and file such certificates (or amendments thereto) and other similar documents as it deems necessary to cause such certificates or other documents to reflect accurately the agreement of the Partners, the identity of the Limited Partners and the General Partner.

C. The General Partner shall be under a fiduciary duty to conduct the affairs of the Partnership in the best interests of the Partnership and of the Partners, including the safekeeping and use of all Partnership funds and other assets for the exclusive benefit of the Partnership and of the Partners, and to protect the interests and rights of the Partners.

D. The General Partner shall prepare or cause to be prepared and shall file on or before the due date (or any extension thereof) any federal, state and local tax returns required to be filed by the Partnership.

E. Tax Controversies. The General Partner is hereby designated the "Tax Matters Partner" (as defined in § 6231 of the Code), and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's business and affairs by tax authorities, including resulting administrative and judicial proceedings, to make any tax elections on behalf of the partnership including, without limitation, under Section 754 of the Code, and to expend Partnership funds for professional services and costs associated therewith. Each Limited Partner agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably requested by the General Partner with respect to the conduct of such proceedings. The General Partner shall provide the Limited Partners with all notices required to be provided to them by law in connection with such proceedings, and shall otherwise keep the Limited Partners reasonably informed of the progress thereof.

### Section 5.4. Other Businesses of Partners

A. Any Partner may engage independently or with others (including other Partners) in other business ventures of any nature and description, including the ownership, operation, management, syndication, and development of real estate. Neither the Partnership nor any Partner shall have any rights or obligations in or to such independent ventures or the cash flow or profits or losses derived therefrom. If the General Partner determines that a particular investment is not appropriate for the Partnership, the General Partner or affiliates of the General Partner may make an investment for their own account, or with or for other partnerships or clients.



B. Unless consented to by Super-Majority Vote (defined below), the General Partner and its affiliates will not form another entity with investment objectives similar to those of the Partnership until the earlier of: i) the date on which at least 70% of the Committed Capital Contributions have been committed to investments; and ii) four years from the date hereof.

#### Section 5.5. Exculpation

Neither the General Partner nor the Limited Partners shall be liable, responsible or accountable in damages or otherwise to the Partnership or any Partner for any action taken or failure to act on behalf of the Partnership within the scope of the authority conferred on it or such Limited Partner by this Agreement or by law, unless such action or omission was performed or omitted fraudulently or in bad faith or constituted gross negligence or wilful misconduct.

#### Section 5.6. Indemnification of Partners

The Partnership shall indemnify and hold harmless the General Partner and the Limited Partners (the "Indemnified Parties") from and against any and all loss, expense, damage or injury suffered or sustained by reason of any acts, omissions or alleged acts or omissions taken or omitted in good faith and not performed or omitted fraudulently or in bad faith or as a result of gross negligence or wilful misconduct arising out of the Indemnified Party's activities on behalf of the Partnership or in furtherance of the interests of the Partnership as provided in this Agreement, including but not limited to, any judgment, award, settlement, reasonable attorney's fees or other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim.

#### Section 5.7. General Partner Compensation

The Partnership will pay to the General Partner an annual management fee (the "Management Fee"), commencing on the date of the First Closing, equal to 1.0% of the Investment Capital Account of the Partners with a minimum annual fee of \$400,000 in the first year after the date hereof, \$300,000 in the second year, and \$200,000 in each of the third through the fifth years. Minimum fees will not apply beginning the sixth year after the date hereof. The Management Fee will be paid quarterly, and will be used to partially reimburse the General Partner for (i) direct salaries and employment costs of professional and clerical employees for Partnership matters; (ii) Partnership office rent; and (iii) Partnership office supplies and equipment. The General Partner, at its discretion, may reduce the minimum Management Fee.

## ARTICLE SIX

### Successor and Additional General Partners

#### Section 6.1. Admission of Successor or Additional General Partners

The Limited Partners hereby consent to the designation by the General Partner at any time of one or more Persons to be successor or additional General Partners with such participation in the General Partner's Interest as the General Partner and such successor or additional General Partners may agree upon; provided that (i) the Interests of the Limited Partners shall not be affected adversely thereby and (ii) any such additional or successor General Partner shall be an Affiliate of Litchfield Advisors Incorporated. The admission of any other successor or additional General Partner shall require the consent of a majority in interest of the Limited Partners (determined in accordance with their respective Interests).

#### Section 6.2. Withdrawal of General Partner

Except in connection with a transfer to a successor or additional General Partner pursuant to Section 6.1 hereof, the General Partner shall have no right to retire or withdraw voluntarily from the Partnership or to sell, transfer or assign its Interest or any portion thereof.

#### Section 6.3. Reconstitution of the Partnership Upon Incapacity of Sole General Partner

Immediately following the Incapacity of a sole General Partner said General Partner's representative shall give each Limited Partner Notification of such Incapacity. The Limited Partners shall have the right, except in the case of the voluntary or involuntary bankruptcy of any General Partner which shall automatically cause a dissolution and termination of the Partnership, to continue the Partnership business by so electing within 90 days after such Incapacity, which election shall be evidenced by a writing signed by the Limited Partners and deposited at the principal business office of the Partnership, to be kept there with the records and books of the Partnership. Except as otherwise provided herein with respect to bankruptcy, the General Partner hereby consents to the continuation of the Partnership in the event of its Incapacity. No other action or filing shall be required to complete or evidence such election, except as may be required by law. In such event, the Partnership shall not be dissolved but shall continue in accordance with the terms of this Agreement with one or more newly elected successor General Partners (which may include a Limited Partner or any partner or Affiliate thereof), elected by a majority of the Partners, within the 90-day period described above. Upon satisfying the conditions of Section 10.1 hereof, each such designee shall become a successor General Partner, effective as of the date of the Incapacity of the sole General Partner, and shall assume, effective as of the date of the Incapacity of the sole General Partner, all the rights, powers and obligations of a General Partner under this Agreement.

## ARTICLE SEVEN

### Transferability of Partner's Interests

#### Section 7.1. Restrictions on Transfers of Interests

A. A Limited Partner's Interest or any fraction thereof may not be sold, assigned or transferred without the prior written consent of the General Partner, which consent may be granted or withheld in the sole and absolute discretion of the General Partner. Any sale, assignment or transfer, or purported sale, assignment or transfer, of a Limited Partner's Interest or fraction thereof made without the prior written consent of the General Partner shall be null and void *ab initio* and of no force and effect. If a Limited Partner's participation in the Partnership, (i) prohibits the Partnership from engaging a particular investment, or (ii) adversely and materially affects the Partnership, then the General Partner may restrict the Limited Partner's participation in the Partnership to the extent necessary to eliminate such prohibition or adverse condition.

B. Notwithstanding anything contained herein to the contrary, no transfer or assignment (or purported transfer or assignment) of any Interest or any fraction thereof may be made if counsel for the Partnership, who shall be selected by the General Partner in its sole discretion, shall be of the opinion that such transfer or assignment (or purported transfer or assignment) (i) may not be effected without registration of Interests under the Securities Act of 1933, as amended, (ii) would be in violation of any state securities or "Blue Sky" laws (including any investment suitability standards) applicable to the Partnership or the Interest to be transferred or assigned, or (iii) would result in the Partnership being considered to have terminated (within the meaning of Section 708 of the Code) or being treated as a "publicly traded partnership" (within the meaning of Section 7704 of the Code).

C. Notwithstanding anything contained herein to the contrary, (i) no interests in the Partnership shall be issued in a transaction that is (or transactions that are) registered or required to be registered under the Securities Act of 1933 and (ii) no admission (or purported admission) of a Partner, and no transfer (or purported transfer) of all or any part of a Partner's interest in the Partnership (or any economic interest therein), whether to another Partner or to a Person who is not a Partner, shall be effective, and any such admission or transfer (or purported admission or transfer) shall be void *ab initio*, and no Person shall otherwise become a Partner, if after such admission or transfer (or purported admission or transfer) the Partnership would have more than 100 Partners. For purposes of clause (ii) of the preceding sentence, each Person indirectly owning an interest in the Partnership through a partnership (including any entity treated as a partnership for federal income tax purposes), a grantor trust or an S corporation (each such entity a "flow-through entity") shall be treated as a Partner unless the General Partner determines in its sole discretion, after consulting with qualified tax counsel, that less than substantially all of the value of the beneficial owner's interest in the flow-through entity is attributable to the flow-through entity's interest (direct or indirect) in the Partnership.

## Section 7.2. Assignees

A. Upon the Incapacity of a Limited Partner, its executor, administrator, trustee, committee, guardian, conservator or receiver, as the case may be, shall have all the rights of a Limited Partner for the purpose of settling or managing its estate and such power as the Incapacitated Limited Partner possessed to assign all or any part of its Interest and to join with such assignee in satisfying conditions precedent to such assignee becoming a Substituted Limited Partner. The Incapacity of a Limited Partner shall not dissolve the Partnership.

B. Any Limited Partner that shall assign all of its Interest shall cease to be a Limited Partner, except that, unless and until a Substituted Limited Partner is admitted in its stead, such assigning Limited Partner shall retain the statutory rights of an assignor of a Limited Partner's interest under the Act.

C. A Person that is the assignee of all or any fraction of the Interest of a Limited Partner, but does not become a Substituted Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article Seven to the same extent and in the same manner as any Limited Partner desiring to make an assignment of its Interest.

D. The Partnership need not recognize for any purpose any purported sale, assignment or transfer of all or any fraction of the Interest of a Limited Partner unless the provisions of Section 7.1 hereof shall have been complied with and there shall have been filed with the Partnership a written and dated instrument of such sale, assignment or transfer, in form and substance satisfactory to the General Partner, executed and acknowledged by both the seller, assignor or transferor and the purchaser, assignee or transferee and such instrument (i) contains the acceptance by the purchaser, assignee or transferee of all of the terms and provisions of this Agreement and (ii) represents that such sale, assignment or transfer was made in accordance with all applicable laws and regulations (including suitability standards). The General Partner may, in its discretion, require other evidence, including an opinion of counsel, as may be reasonably appropriate to determine whether such sale, assignment or transfer was made in accordance with all applicable laws and regulations. Any sale, assignment or transfer shall be recognized by the Partnership as effective as of the date the General Partner acknowledges and consents to such sale, assignment or transfer in writing.

## Section 7.3. Substituted Limited Partners

A. Subject to Section 7.3B below, any purchaser, assignee, transferee, donee, heir, legatee, distributee or other recipient of the Interest of a Limited Partner made in accordance with Section 7.1 and Section 7.2 shall be admitted to the Partnership as a Substituted Limited Partner.

B. No Person shall become a Substituted Limited Partner until such Person shall have satisfied the requirements of Section 11.1 and Section 7.2D hereof; provided, however, that for the purpose of allocating Profits and Losses, and distributing Operating Cash Flow, a Person shall be treated as having become, and as appearing in the records of the Partnership as, a Limited Partner on such date as the sale, assignment or transfer to such Person was recognized by the Partnership pursuant to Section 7.2D.

## ARTICLE EIGHT

### Dissolution, Liquidation and Termination of the Partnership

#### Section 8.1. Events Causing Dissolution

The Partnership shall dissolve upon the happening of any of the following events:

- (i) the expiration of its term as provided in Section 2.4;
- (ii) the Incapacity of the General Partner, unless the Partnership's business is continued pursuant and subject to the terms and conditions of Section 6.4 hereof;
- (iii) the sale or other disposition at one time of all or substantially all Partnership Properties;
- (iv) the election by the General Partner, with the consent of a Super Majority Vote, to dissolve the Partnership; or
- (v) the happening of any other event causing the dissolution of the Partnership under the laws of the State of Illinois.

Dissolution of the Partnership shall be effective on the day on which the event occurs giving rise to the dissolution, but the Partnership shall not terminate until the Partnership's certificate of limited partnership has been canceled and the assets of the Partnership have been distributed as provided in Section 8.2 hereof.

#### Section 8.2. Liquidation

A. Upon dissolution of the Partnership, the General Partner shall dispose of the assets of the Partnership, apply and distribute the proceeds thereof as contemplated by this Agreement and cause the cancellation of the Partnership's certificate of limited partnership.

B. Notwithstanding the foregoing, in the event the General Partner shall determine that an immediate sale of part or all of the Partnership assets would cause undue loss to the Partners, the General Partner, in order to avoid such loss, may (after having given Notification to the Limited Partners), to the extent not then prohibited by the limited partnership act of any jurisdiction in which the Partnership is then formed or qualified and applicable in the circumstances, defer disposition of and withhold from distribution for a reasonable time any assets of the Partnership except those necessary to satisfy the Partnership's debts and obligations.

C. Notwithstanding the dissolution of the Partnership, prior to the termination of the Partnership, as aforesaid, the business of the Partnership and the affairs of the Partners, as such, shall continue to be governed by this Agreement.

D. Each Limited Partner shall look solely to the assets of the Partnership for all distributions with respect to the Partnership and its Capital Contribution thereto and share of Profits or Losses thereof, and, except as specifically provided herein, shall have no recourse therefor (upon dissolution or otherwise) against any General Partner or any Limited Partner.

#### Section 8.3. Continuation of the Partnership Business

Except as otherwise specifically provided in Section 6.4, in the event of the dissolution of the Partnership for any reason, the Partners shall have the option, upon the consent of all of them (other than any Partner which is Incapacitated or has withdrawn from the Partnership), to form a new partnership, on such terms and conditions and with such Partners as may be agreed upon for the purpose of continuing the Partnership business.

#### Section 8.4. Capital Account Upon Liquidation.

Notwithstanding anything to the contrary in this Agreement, (i) upon Liquidation of the Partnership the proceeds of such Liquidation shall be distributed in accordance with the positive Capital Account balances of the Partners, and upon Liquidation of any Partner's Interest in the Partnership the proceeds of such Liquidation shall be distributed in accordance with the positive Capital Account balance of such Partner, in each case as determined after taking into account all Capital Account adjustments for the Partnership taxable year during which such Liquidation occurs (other than those made pursuant to this clause (i)), by the end of such taxable year (or, if later, within 90 days after the date of such Liquidation); (ii) If a General Partner has a deficit balance in its Capital Account following the Liquidation of its Interest in the Partnership, as determined after taking into account all Capital Account adjustments for the Partnership taxable year during which such Liquidation occurs (other than any adjustment for a capital contribution of a General Partner made pursuant to this sentence), such General Partner shall make a capital contribution to the Partnership in an amount equal to such deficit balance by the end of the Partnership taxable year during which such Liquidation occurs (or, if later, within 90 days after the date of such Liquidation); and (iii) such capital contribution made pursuant to clause (ii) of this Section 8.4

shall, upon Liquidation of the Partnership, be paid to creditors of the Partnership or distributed to other Partners in accordance with their positive Capital Account balances (in accordance with clause (i) of this Section 8.4).

## ARTICLE NINE

### Books and Records, Accounting, Etc.

#### Section 9.1. Books and Records

A. The books and records of the Partnership shall be maintained by the General Partner at the principal place of business of the Partnership and shall be available upon reasonable notice for inspection by the Limited Partners during reasonable business hours at the Partnership's principal place of business for any purpose reasonably related to the Limited Partner's Interest as a Limited Partner. Notwithstanding the foregoing, the General Partner shall have the right to keep confidential from the Limited Partners for such period of time as the General Partner deems reasonable, any information which the General Partner reasonably believes to be in the nature of trade secrets or other information, the disclosure of which the General Partner in good faith believes is not in the best interest of the Partnership or could damage the Partnership or its business or which the Partnership is required by law or by agreement with a third party to keep confidential.

B. The Capital Accounts of all Partners shall be determined and maintained throughout the full term of the Partnership in accordance with Section 704(b) of the Code and the Regulations. In maintaining Capital Accounts hereunder, (i) immediately prior to any deemed distribution in connection with any termination of the Partnership under Section 708(b)(1) of the Code or actual distribution of assets of the Partnership (other than cash), (ii) immediately prior to any determination of any capital contribution to be made by any General Partner under Section 8.4 or (iii) upon any other Liquidation hereunder, the Capital Accounts of the Partners first shall be adjusted to reflect the manner in which the unrealized income, gain, loss and deduction inherent in all Partnership Properties (that has not been previously reflected in the Capital Accounts) would be allocated among the Partners (in accordance with the allocations of Profits or Losses under Article Four) if there were a taxable disposition of such properties for the fair market value of such properties (taking into account Section 7701(g) of the Code) on such date. Notwithstanding anything to the contrary in this Agreement, after such adjustments to the Capital Accounts of the Partners, to the extent any General Partner is required to make any capital contribution to the Partnership under Section 8.4 by reason of any termination of the Partnership other than under Section 708(b)(1)(A) of the Code, the Partnership (or the Partnership as newly constituted for Federal income tax purposes) shall make a special distribution to such General Partner equal to any such capital contribution.

#### Section 9.2. Accounting and Fiscal Year

The books of the Partnership shall be kept on the cash or accrual basis as determined by the General Partner from time to time. The fiscal year of the Partnership shall end on December 31 of each year.

#### Section 9.3. Bank Accounts

The bank accounts of the Partnership shall be maintained in interest or non-interest bearing accounts at such institutions as the General Partner shall determine and withdrawals shall be made on such signature or signatures as the General Partner may determine. All deposits and other funds not needed in the operation of the Partnership's business may be invested in U.S. government securities, securities issued or guaranteed by U.S. government agencies, certificates of deposit and time or demand deposits in commercial banks, bankers' acceptances, savings and loan association deposits or deposits in members of the Federal Home Loan Bank System, or money market mutual funds. The funds of the Partnership shall not be commingled with the funds of any other Person.

#### Section 9.4. Reports

A. Within 90 days after the end of each fiscal year of the Partnership, the General Partner shall send or deliver to each Person who was a Limited Partner at any time during the fiscal year then ended such tax information as shall be necessary for the preparation by such Limited Partner of its federal, and state, and other income tax returns.

B. Within 120 days after the end of each fiscal year of the Partnership, the General Partner shall send to each Person who was a Limited Partner at any time during the fiscal year then ended audited financial statements including (i) a balance sheet as of the end of such fiscal year and statements of income, Partners' equity and changes in financial position for such fiscal year of the Partnership, (ii) a cash flow statement of the Partnership and (iii) a statement showing the Operating Cash Flow distributed to Persons who were Partners at any time during such fiscal year, in respect of such year. An estimate of the fair value of the Partner's assets as of the end of the fiscal year will also be provided.

C. Within 30 days after the end of each calendar quarter, the General Partner shall send to each Limited Partner unaudited financial reports of the Partnership.

D. In addition to any materials distributed under Section 9.4A or B above and subject to the second sentence of Section 9.1A, the General Partner shall provide reasonable access to the Limited Partners of the books and records of any entity, partnership or joint venture or other investment in which the Partnership invests, to the extent such access can be reasonably provided. Subject to the second sentence of Section 9.1A, the General Partner shall also provide Notification



to the Limited Partners promptly of all material and adverse events affecting any Partnership Property in which the Partnership invests not occurring in the ordinary course of business of any such Partnership Property.

## ARTICLE TEN

### Miscellaneous Provisions

#### Section 10.1. Amendments

A. Each Substituted Limited Partner, successor General Partner and additional General Partner shall become a signatory hereof by signing such number of counterparts of this Agreement and such other instrument or instruments, and in such manner, as the General Partner shall determine. By so signing, each Substituted Limited Partner, successor General Partner or additional General Partner, as the case may be, shall be deemed to have adopted, and to have agreed to be bound by, all the provisions of, this Agreement.

B. Except as otherwise authorized herein, this Agreement may be amended from time to time by the General Partner with, and only with, the written consent of a majority in interest of the Limited Partners; provided that any provision requiring a Super Majority Vote may be amended only with a Super Majority Vote.

C. In addition to any amendments otherwise authorized herein, this Agreement may be amended from time to time by the General Partner without the consent of any of the Limited Partners to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement which would not be inconsistent with the provisions of this Agreement; provided, however, that no amendment shall be adopted pursuant to this Section 10.1C unless the adoption thereof (1) is not adverse to the interests of the Limited Partners and (2) does not adversely alter the interest of a Limited Partner in Profits, Operating Cash Flow or Capital Event Proceeds.

D. In addition to any amendments otherwise authorized herein, and notwithstanding anything to the contrary in this Section 10.1, the General Partner, without the consent of any of the Limited Partners, may amend the provisions of this Agreement relating to the allocations of Profits or Losses or items thereof (including, without limitation, non-taxable receipts or non-deductible expenditures) or credits among the Partners if the Partnership is advised at any time by the Partnership's accountants or legal counsel that in their opinion it is likely that such allocations would not be respected for Federal income tax purposes, due among other things to promulgation of Treasury Regulations or other developments in the law (including, without limitation, clarification of Treasury Regulations under Section 704(b) of the Code relating to, among other

things, allocations of Losses (or items thereof) attributable to nonrecourse indebtedness and "qualified income offsets"); provided, however, that the General Partner is empowered to amend such provisions only to the extent necessary to provide a reasonable basis on which such allocations would likely be respected after such developments in the law in accordance with the advice of such accountants or legal counsel, so that any such amendment will have the least possible effect on the provisions set forth in this Agreement. Any such amendment made by the General Partner in good faith in reliance upon the advice of the accountants or legal counsel described above shall be deemed to be made in compliance with the fiduciary obligation of the General Partner to the Partnership and the Limited Partners, and no such amendment shall give rise to any claim or cause of action by any Limited Partner.

E. In making any amendments, there shall be prepared and filed by the General Partner for recording such documents and certificates as shall be required to be prepared and filed under the Act.

#### Section 10.2. Binding Provisions and Applicable Law

The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and permitted assigns of the respective parties hereto. Except as otherwise expressly permitted by this Agreement, none of the parties shall assign this Agreement without the prior written consent of the other parties hereto. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of Illinois, without regard to the conflicts of laws principles thereof.

#### Section 10.3. Arbitration.

(a) Resolving Disputes. By executing this Agreement, the Partners agree that their sole and absolute remedy to resolve any Dispute between them shall be resolved pursuant to the terms and conditions of this Section 10.3. For purposes of this Agreement, "Dispute" shall singularly and collectively mean any and all actions, proceedings, claims, counterclaim, disputes, or disagreements, brought by one Partner against any other Partner or against the Partnership on any matters whatsoever arising out of, or in any way connected with, this Agreement and/or the relationship of the Partners created under this Agreement.

(b) Structured Negotiations. Upon the occurrence of any Dispute, the complaining party to this Agreement shall notify the other party hereto of such Dispute. Upon delivery of such notice, the Partners shall personally meet along with, at their respective option, their respective counsel, advisers, and/or experts and make a diligent and good-faith effort to resolve the Dispute. At their option, the disputing Partners may jointly select a person to moderate the negotiation(s). If either Partner is unable or unwilling to meet, or if the disputing Partners cannot resolve the Dispute within thirty (30) days following the delivery of said notice, then the Partners shall have

the right to compel the other to settle the Dispute pursuant to the terms and conditions of Section 10.3(c) below.

(c) Binding Arbitration. At anytime following the thirtieth (30<sup>th</sup>) day set forth in Section 10.3(b) above, either Partner shall have the right to compel the other to settle the Dispute by neutral, final, binding, and conclusive arbitration pursuant to the terms and conditions set forth in this Section 10.3. To exercise such right, the complaining Partner shall deliver to the other Partner written notice to such effect (the "Arbitration Notice"). Within fifteen (15) days following any delivery of any Arbitration Notice, the disputing Partners shall jointly select one arbitrator. If the disputing Partners are unable or unwilling to agree upon a single arbitrator within such fifteen (15) day period, then Partner may cause the regional branch of the American Arbitration Association in Chicago, Illinois to appoint a single arbitrator. All arbitrations hereunder shall be conducted in Chicago, Illinois. The arbitrator's decision and determinations regarding the Dispute shall be (i) in writing, (ii) made pursuant to the provisions of this Agreement and the Laws of the State of Illinois, and (iii) final, conclusive, and binding upon the disputing Partners. The prevailing Partner may pursue any appropriate remedy to enforce the arbitrator's decision, including the filing of a petition to confirm the award and to have a judgment entered thereon. Except as modified by the provisions of this Section 10.3, arbitration shall be conducted pursuant to the rules then in effect (but not under the jurisdiction) of the American Arbitration Association. The disputing Partners shall pay the portion of the fees and expenses of the Arbitrator and the arbitration process as determined by the Arbitrator in proportion to the extent the other party prevailed. The arbitrator shall have the right to consult its own experts and competent authorities with factual information or evidence pertaining to a determination of the Dispute, but any such consultation shall be made in the presence of disputing Partners with full right on their respective part (including their respective legal counsel and/or advisers) to cross-examine such experts and/or authorities. The Arbitrator shall have no power to modify the provisions of this Agreement, award damages in excess of actual damages, or award punitive or consequential damages.

(d) Waiver of Jury Trial. The Partners by the provisions of this Section 10.3 waive trial by jury in any Dispute or on any matters whatsoever arising out of or in any way connected with this Agreement and/or the relationship of the Partners under this Agreement.

#### Section 10.4. Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the same counterpart.

#### Section 10.5. Separability of Provisions

Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid or contrary to any existing or future

law, such invalidity shall not impair the operation, or affect those portions, of this Agreement which are valid.

Section 10.6. Section and Article Titles

Section and article titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement.

ARTICLE ELEVEN

POWER OF ATTORNEY

Section 11.1. Power of Attorney.

Each Limited Partner hereby irrevocably constitutes and appoints the General Partner as its true and lawful attorney-in-fact in its name, place and stead to make, execute, sign, acknowledge (including swearing to), record and file, on behalf of it and on behalf of the Partnership, consistent with the terms of this Agreement, the following:

(a) A Certificate of Limited Partnership and any other certificate or instrument which may be required to be filed by the Partnership or any of the Partners under the laws of the State of Illinois and any other jurisdiction whose laws may be applicable;

(b) A Certificate of Cancellation of the Partnership and such other instruments or documents as may be deemed necessary or desirable by the General Partner upon the dissolution or other termination of the Partnership; and

(c) Any and all amendments of the instruments described in Sections 11.1(a) and 11.1(b) above, provided such amendments are either required by law to be filed, or are consistent with this Agreement.

(d) The foregoing grant of authority:

(i) Shall survive the delivery of an assignment by a Limited Partner of all or any portion of its Interest in the Partnership and any assignee of a Limited Partner does hereby constitute and appoint the General Partner its attorney in the same manner and with the same force and for the same purposes as does the assignor; and

(ii) Is a Special Power of Attorney coupled with an interest, is irrevocable, and shall survive the Incapacity of the Limited Partner granting the power.

Limited Partnership  
Agreement  
Signature Page

IN WITNESS WHEREOF, the General Partner and the Limited Partners have executed this Agreement as of the date first above written.

GENERAL PARTNER

LIMITED PARTNER

By WESTMINSTER ADVISORS IV L.L.C.

By: \_\_\_\_\_  
Manager

By: \_\_\_\_\_

SCHEDULE A

<u>Name and Address</u>	<u>Capital Commitment</u>	<u>Capital Contribution</u>	<u>Partnership Interest</u>
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GENERAL PARTNER:

Westminster Advisors IV L.L.C. 270 Westminster, Suite 300 Lake Forest, IL 60045	\$400,000		
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LIMITED PARTNERS:

Name of Purchaser \_\_\_\_\_

Amount of Committed Capital Contribution: \$ \_\_\_\_\_

## SUBSCRIPTION AGREEMENT

WESTMINSTER FUND IV L.P.

This Subscription Agreement is entered into by and between the undersigned ("Purchaser") and Westminster Fund IV L.P. (the "Partnership"), an Illinois limited partnership established pursuant to the Agreement of Limited Partnership, dated as of January 2, 2001 (as from time to time amended, the "Partnership Agreement").

### WITNESSETH:

WHEREAS, the Partnership has been formed for the purpose of acquiring interests in real estate and real estate securities (the "Property"); and

WHEREAS, the Purchaser desires to purchase units of limited partnership interest in the Partnership ("Units") by committing to contribute \$200,000 cash per Unit;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the Purchaser and the Partnership agree as follows:

### ARTICLE I

#### DEFINITIONS

SECTION 1.1 Definitions. As used in this Agreement, the following terms shall each have the meanings set forth in this article (unless the context otherwise requires). For purposes of this Agreement, singular terms shall include the plural and vice versa and any pronoun of one gender shall include the other gender or the neuter. Capitalized terms used herein which are not otherwise defined shall have the respective meanings ascribed thereto in the Partnership Agreement.

"33 Act" shall mean the Securities Act of 1933, as amended.

"Agreement" shall mean this Subscription Agreement as the same may be amended, supplemented or modified from time to time in accordance with the provisions hereof. All headings of articles and sections shall be for convenience only and shall have no meaning, force or effect whatsoever.

"Certificate of Limited Partnership" shall mean the certificate of limited partnership filed in the office of the Secretary of State of the State of Illinois in connection with the formation of the Partnership, and any amended or restated certificate of limited partnership with respect thereto that may have been or may hereafter be so filed.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"General Partner" means Westminster Advisors IV L.L.C., an Illinois limited liability company and its successors and assigns as general partner of the Partnership pursuant to the terms of the Partnership Agreement.

"Limited Partner" shall mean each subscriber whose subscription has been accepted by the General Partner, including, if applicable, the undersigned Purchaser.

"Offering" shall mean the offering of up to 300 Units by the Partnership.

"Offering Memorandum" shall mean the Confidential Private Offering Memorandum which was prepared in connection with the Offering.

"Plan" shall mean an employee benefit plan as defined in Section 3(3) of ERISA.

## ARTICLE II

### ACKNOWLEDGMENTS

SECTION 2.1 Illiquid Investment. The Purchaser acknowledges that investment in the Partnership is an illiquid investment and in particular that:

(a) The Purchaser must bear the economic risk of investment in the Units for an indefinite period of time since (i) the Units have not been registered under the '33 Act and, therefore, cannot be sold unless they are subsequently registered under said Act or an exemption from such registration is available, and (ii) the Units cannot be sold unless they are registered under applicable state securities laws or an exemption from such registration is available;

(b) There is no market for the Units, and no market for the Units is expected to develop; and

(c) The right of a Limited Partner to transfer Units is restricted under the Partnership Agreement and applicable federal and state securities laws and regulations.

SECTION 2.2 Fiduciary Status. The Purchaser acknowledges that it is intended that the assets of the Partnership will not constitute assets of any Plan and that neither the Partnership, nor the General Partner, nor the Manager, nor any of their respective Affiliates will be acting as a fiduciary under ERISA or any federal or state law governing the investment and management of governmental plan assets, with respect to the Units offered hereby or the operation or management of the Partnership.

## ARTICLE III

### PURCHASE OF UNITS; CONDITIONS

SECTION 3.1 Subscription for Units. The Purchaser hereby subscribes for the purchase of the number of Units set forth on the signature page of this Agreement in the amount specified on the first page hereof as its Committed Capital Contribution. The Purchaser shall pay the Committed Capital Contribution solely in cash, in United States Dollars. The Purchaser shall be obligated to fund portions of the Committed Capital Contribution upon the call of the General Partner as specified in Section 3.1 of the Partnership Agreement, and failure to make such contribution shall result in default as described in Section 3.2 of the Partnership Agreement. This subscription is and shall be irrevocable by the Purchaser and shall survive and not be affected by the death, dissolution, bankruptcy, or insolvency of the Purchaser.



SECTION 3.2 Acceptance of Subscriptions. (a) The Purchaser agrees that the General Partner on behalf of the Partnership shall have the right, in its sole discretion, to accept or reject such subscription in whole or in part.

(b) Notice of acceptance or rejection of the Purchaser's subscription shall be given by the General Partner on behalf of the Partnership to the Purchaser by delivery of an executed counterpart of this Agreement indicating the number of Units accepted, if any, and the date of such acceptance by the General Partner. In the event this subscription or any portion thereof is accepted, the General Partner shall promptly take any such further action as is or may at any time become necessary to evidence the admission of the Purchaser to the Partnership as a Limited Partner. In the event this subscription is rejected in full, the General Partner shall promptly return this Agreement to the Purchaser marked "canceled," and neither party shall have in such case any further obligations to the other hereunder; provided, however, that in such event the Purchaser shall promptly return to the General Partner the Offering Memorandum and all additional documents, if any, in the Purchaser's possession or under its control related to the proposed sale of Units.

SECTION 3.3 Evidence of Ownership. For each Limited Partner, such Limited Partner's Units, Committed Capital and Capital Contribution shall be recorded on Schedule A to the Partnership Agreement opposite such Limited Partner's name and address. No certificate or other evidence of ownership shall be issued in respect of the Units other than this Subscription Agreement, which, when executed by the General Partner on behalf of the Partnership and delivered to the Limited Partner, shall represent and evidence the Units of such Limited Partner.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

SECTION 4.1 Representations and Warranties of the Purchaser. (a) The Purchaser represents and warrants to and agrees with each of the Partnership and the General Partner that each of the following statements are true on the date hereof:

(i) The Purchaser is an "accredited investor" within the meaning of Rule 501 under the '33 Act.

(ii) The Purchaser is acquiring the Units for the Purchaser's own account as principal, for long-term investment purposes only, and not with a view to, or for, resale, distribution or fractionalization thereof, in whole or in part, subject, however, to any requirement of law that the disposition of such Purchaser's property shall at all times be within its control, and no other person has or will have a beneficial interest in such Units;

(iii) The Purchaser understands that the offering and sale of the Units is intended to be exempt from registration under the '33 Act by virtue of Section 4(2) of the '33 Act and understands that, notwithstanding the consent of the General Partner, the Units may not be sold, transferred, hypothecated or pledged, except pursuant to an effective registration statement under the '33 Act or pursuant to an available exemption from the registration requirements of the '33 Act established to the satisfaction of the General Partner and that the Partnership is under no obligation to register the Units or to assist such Purchaser in complying with any exemption from the registration thereof;

(iv) The Purchaser has the financial ability to bear the economic risk of his or her or its investment in the Partnership (including its possible loss), has adequate means of providing for his or her or its current needs and personal contingencies and has no need for liquidity with respect to his investment in the Partnership;

(v) The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in Units and has obtained, in his or her or its judgment, sufficient information from the General Partner to evaluate the merits and risks of an investment in Units;

(vi) All of the representations and information provided herein are accurate and complete as of the date of this Agreement. If there should be any material adverse change in any such representations or information prior to the admission of the Purchaser to the Partnership, the Purchaser will immediately furnish accurate and complete information concerning any such material change to the General Partner;

(vii) The Purchaser has been furnished with, and has reviewed and understands the contents of, a copy of the Offering Memorandum, the Partnership Agreement and each other document referenced therein;

(viii) The Purchaser has been given the opportunity to obtain such additional information as is necessary to verify the accuracy of the information contained in the Offering Memorandum or the accuracy of the information which was otherwise provided in order for the Purchaser to evaluate the merits and risks relating to the purchase of Units, to the extent that the General Partner possesses such information or can acquire it without unreasonable effort or expense;

(ix) The Purchaser is capable of evaluating the merits and risks of the purchase of Units and has not relied in connection with this investment upon any representations, warranties or agreements other than herein and in the Offering Memorandum and the Partnership Agreement;

(x) The Purchaser is a citizen or resident of the United States or is a partnership, corporation, estate or trust organized under United States law, or is a non-U.S. corporation, trust, estate, or individual who is neither citizens nor residents of the United States but is a citizen of a nation that maintains a tax treaty with the United States.

(xi) Any information which the Purchaser has heretofore furnished and herewith furnishes to the General Partner with respect to the Purchaser's financial position and business experience is true and correct as of the date of this Agreement and, if there should be any change in such information prior to the admission of the Purchaser to the Partnership, the Purchaser will promptly furnish such revised or corrected information to the General Partner.

(b) If the Purchaser is, or is acting on behalf of, a Plan, the undersigned fiduciary or Plan represents and warrants to and agrees with each of the Partnership and the General Partner, in addition to the representations and warranties set forth in Section 4.1(a) above, that on the date hereof:

(i) The decision to invest assets of the Plan in Units was made by fiduciaries independent of the General Partner and its Affiliates, which fiduciaries are duly authorized to make such investment decisions and who have not relied on any advice or recommendation of the General Partner or its Affiliates;

(ii) The terms of the Partnership Agreement, including all exhibits and attachments thereto, are in conformity with the applicable laws governing such Plan, and the undersigned shall promptly advise the General Partner in writing of any changes in any governing law or any regulations or interpretations thereunder affecting the duties, responsibilities, liabilities or obligations of the General Partner, the Partnership, or any of their agents or Affiliates; and

(iii) Neither the General Partner nor any of its agents, representatives or Affiliates have exercised any discretionary authority or control with respect to the Plan's investment in the Units, nor have the General Partner or any of its agents, representatives or Affiliates rendered individualized investment advice to the Plan based upon the Plan's investment policies or strategy, overall portfolio composition or diversification.

(c) Each Purchaser further represents and warrants to, and agrees with, each of the Partnership and the General Partner, in addition to the representations and warranties set forth in Sections 4.1(a) and (b) above, that on the date hereof:

(i) If the Purchaser is a corporation, partnership, trust or other entity, it is authorized and qualified to execute this Agreement, the Partnership Agreement and any other certificate or documents called for by such agreements and to become a Limited Partner, it is authorized to commit to its Capital Contribution as provided in the Partnership Agreement, and the Person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so;

(ii) Each of this Agreement and the Partnership Agreement, when signed by or on behalf of the Purchaser on the signature page hereof as contemplated hereby and by the Partnership Agreement, shall be validly executed and delivered on behalf of the Purchaser named herein and shall be valid, binding and enforceable against such Purchaser in accordance with its terms; and

(iii) The Purchaser has its principal residence or place of business at the address set forth on the signature page of this Agreement.

(d) The representations and warranties made by the Purchaser in this Agreement shall survive the closing of the subscription for Units and all other transactions contemplated hereby.

## ARTICLE V

### COVENANTS

SECTION 5.1 Indemnification by Purchaser. To the extent permitted by law, the Purchaser hereby agrees to indemnify and hold harmless the Partnership, the General Partner, each and every other Limited Partner and any fiduciary, officer, director, employee, agent or controlling person of each such individual or entity from any and all loss, claim, damage, expense or liability whatsoever (including reasonable attorneys' fees) by reason of or arising from (i) any breach of the representations and warranties of the Purchaser contained in Section 4.1 hereof, or (ii) any failure of the Purchaser to comply with any covenant or agreement made by the Purchaser in this Agreement.

## ARTICLE VI

### PARTNERSHIP AGREEMENT BINDING; ADMINISTRATION AND MANAGEMENT

SECTION 6.1 Partnership Agreement. The Purchaser agrees that from and after the acceptance of its subscription for Units by the General Partner, it shall be bound by all of the terms and provisions of the Partnership Agreement and shall have all rights and obligations of a Limited Partner thereunder.

SECTION 6.2 Administration of Partnership; No Right to Control Management. The Purchaser agrees that, except as expressly provided in the Partnership Agreement, it shall have no right as a Limited Partner to (a) participate in or control the operation or management of the Partnership, or (b) vote upon any matter. The Purchaser also understands and agrees that the General Partner shall have such control over the management of the Property and business of the Partnership as is provided in the Partnership Agreement.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

SECTION 7.1 Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and interpreted in accordance, with the internal laws of the State of Illinois without regard to the conflicts of laws, principles thereof.

SECTION 7.2 Written Notice. Any notice or other communication required or permitted under this Agreement shall be in writing and shall be given in accordance with the Partnership Agreement.

SECTION 7.3 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page, and this Agreement may be executed by the affixing of the signature of each of the Partners to any of such counterpart signature pages; all of such counterpart signature pages shall be read as though one and they shall have the same force and effect as though all of the signers had signed a single signature page.

SECTION 7.4 Modifications. Neither this Agreement nor any provisions hereof may be waived, modified, changed, discharged, terminated, revoked or canceled, whether with respect to a Limited Partner or all Limited Partners, except by an instrument in writing signed by the party against whom any waiver, modification, change, discharge, termination, revocation or cancellation is sought. No waiver by the Partnership will be effective unless and until it is in writing and signed by the General Partner on behalf of the Partnership.

SECTION 7.5 Severability. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be held invalid or unenforceable under any applicable statute or rule of law, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and inoperative to the extent such invalid or unenforceable provisions may conflict therewith and such covenants, agreements, provisions or terms shall be deemed modified to conform with such statute or rule of law and shall in no way affect the validity or enforceability of the other covenants, agreements, provisions and terms of this Agreement or the other rights of the parties.

SECTION 7.6 No Broker. Each party hereto represents that it has not employed or retained any person, firm, or entity as a broker, dealer, or sales agent to bring about or to represent any of them in any of the transactions contemplated by this Agreement or the Partnership Agreement.

SECTION 7.7 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supercedes all prior arrangements, understandings, and agreements among the parties with respect to the subject matter hereof.

SECTION 7.8 Binding Effect. This Agreement shall be binding upon the legal representatives, successors, and assigns of the parties hereto. Neither party shall assign this Agreement without the prior written consent of the other party hereto.

SIGNATURE

The undersigned acknowledges and agrees that the execution of this signature page shall be deemed and shall constitute the execution of a counterpart signature page to the Partnership Agreement as well as to the Subscription Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement and, with respect to the Purchaser named below, the Partnership Agreement as of this \_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Print Name

By: \_\_\_\_\_

Tax Identification Number of Purchaser

\_\_\_\_\_  
(if none, so state)

Address:

\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Units subscribed for: \_\_\_\_\_

Accepted as to \_\_\_\_\_ Units

Date Subscription Accepted:

\_\_\_\_\_, 2001

WESTMINSTER FUND IV LP

By: Westminster Advisors IV LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_